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National Consumer Protection Week: Top 5 Scams

Scam # 3: Loan Mod Consultants

Las Vegas – The Division of Mortgage Lending is reminding homeowners not pay up-front fees for loan modification assistance.

Many homeowners are still facing economic challenges and are very interested in modifying their mortgages to obtain more favorable terms. The process for obtaining a loan modification can be daunting; so many homeowners look for assistance.

Until recently, in Nevada, companies offering loan modification services could charge up-front fees as long as those fees were put into a trust account, to be disbursed only when the terms of their contract with the homeowner were met.

However, as an extra measure of protection for consumers nationwide, the Federal Trade Commission recently issued a ruling banning up-front fees as of January 31st. This ruling supersedes Nevada law.

Homeowners will now only pay for loan modification assistance if two conditions are met:

- 1) There is a verifiable loan modification offer from the homeowner's bank.
- 2) The homeowner agrees to the terms of that modification offer.

As always, consumers can receive assistance from a HUD-approved non-profit housing counselor without ever having to pay.

For more information or questions, homeowners may contact the Division of Mortgage Lending at <http://mld.nv.gov/index.htm>.

About National Consumer Protection Week

National Consumer Protection Week (NCPW) is a coordinated campaign that encourages consumers nationwide to take full advantage of their consumer rights and make better-informed decisions. For more information, visit <http://www.ncpw.gov/>.

About the Fight Fraud Taskforce and Website

The statewide Fight Fraud Taskforce includes members from the Las Vegas Metropolitan Police Department and other local law enforcement agencies, the I.R.S., the Department of Justice, the Nevada Attorney General and its Bureau of Consumer Protection, the Secretary of State, the Better Business Bureau in Las Vegas and Reno, the Department of Business & Industry, the Clark County Recorder, the P.U.C., the Division of Mortgage Lending, the Department of Motor Vehicles, the Federal Trade Commission, Legal Aid Center of Southern Nevada, and experts from the private sector among others. The group acts as a clearinghouse for fraud information and strives to educate the public on how to avoid the latest scams. Visit <http://fightfraud.nv.gov> for more information.

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